

(2) Remuneration, salary and wages (other than pensions) paid by the Government of New Zealand to an individual (other than a citizen of the United States) for services rendered to New Zealand in the discharge of governmental functions shall be exempt from United States tax.

(3) The provisions of this Article shall not apply to payments in respect of services rendered in connection with any trade or business carried on by either of the Contracting Governments for purposes of profit.

ARTICLE XI

Income (other than dividends paid by a company resident in New Zealand) of a person who is a resident of the United States which is exempt from New Zealand tax under any provision of the present Convention shall not be included in that person's total income for the purpose of determining the amount of any New Zealand tax payable in respect of income of that person which is assessable to New Zealand tax.

ARTICLE XII

(1) Dividends paid by a New Zealand corporation shall be exempt from United States tax except where the recipient is a citizen of, or resident in, the United States or a United States corporation.

(2) Dividends paid by a United States corporation shall be exempt from New Zealand tax except where the recipient is resident in New Zealand.

ARTICLE XIII

(1) Subject to section 131 of the United States Internal Revenue Code as in effect on the date of signature of this Convention, New Zealand tax shall be allowed as a credit against United States tax.

(2) If, under the law in force in New Zealand at any time while the present Convention is in effect, New Zealand tax is payable in respect of income from sources within the United States in respect of which United States tax is payable, the United States tax payable (whether directly or by deduction) in respect of any such income shall, subject to such provisions (which shall not affect the general principle hereof) as may be enacted in New Zealand, be allowed as a credit against any New Zealand tax payable in respect of that income. For the purposes of this paragraph the terms "United States tax" and "New Zealand tax" do not include any penalty imposed under the laws of the United States or New Zealand relating to the taxes which are the subject of the present Convention and the term "New Zealand tax" does not include social security charge.